

## § 1309.12

### § 1309.12 Timely decisions.

The responsible HHS official shall promptly review and make final decisions regarding completed applications under this part.

## Subpart C—Protection of Federal Interest

### § 1309.20 Title.

Title to facilities acquired with grant funds vests with the grantee upon acquisition, subject to the provisions of this part.

### § 1309.21 Recording of Federal interest and other protection of Federal interest.

(a) The Federal Government has an interest in all real property and equipment purchased with grant funds for use as a Head Start facility. The responsible HHS official may agree to subordinate the Federal interest in such property to that of a lender which finances the purchase of the property subject to the conditions set forth in paragraph (f) of this section.

(b) Facilities acquired with grant funds may not be mortgaged or used as collateral, or sold or otherwise transferred to another party, without the written permission of the responsible HHS official.

(c) Use of the facility for other than the purpose for which the facility was funded, without the express written approval of the responsible HHS official, is prohibited.

(d) Immediately upon purchasing a facility with grant funds, or receiving permission to use funds for a previously purchased facility, the grantee shall record a Notice of Federal Interest in the appropriate official records for the jurisdiction in which the facility is located. The Notice shall include the following information:

(1) The date of the award of grant funds for the purchase of the property to be used as a Head Start facility, and the address and legal description of the property to be purchased;

(2) That the grant incorporated conditions which include restriction on the use of the property and provide for a Federal interest in the property;

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(3) That the property may not be used for any purpose inconsistent with that authorized by the Head Start Act and applicable regulations;

(4) That the property may not be mortgaged or used as collateral, sold or otherwise transferred to another party, without the written permission of the responsible HHS official;

(5) That these grant conditions and requirements cannot be altered or nullified through a transfer of ownership; and

(6) The name (including signature) and title of the person who completed the Notice for the grantee agency, and the date of the Notice.

(e) Grantees must meet all of the requirements in 45 CFR parts 74 or 92 pertaining to the purchase and disposition of real property, or the use and disposal of equipment, as appropriate.

(f) In subordinating its interest in a facility purchased with grant funds, the responsible HHS official does not waive application of paragraph (d) of this section and §1309.22. A written agreement by the responsible HHS official to subordinate the Federal interest must provide:

(1)(i) The lender shall notify the Office of the Regional Administrator, Administration for Children and Families, the Office of the Commissioner, Administration on Children, Youth and Families, Washington, D.C., and the Office of the General Counsel, Department of Health and Human Services, Washington, DC, or their successor agencies, immediately, both telephonically and in writing of any default by the Head Start grantee;

(ii) Written notice of default must be sent by registered mail return receipt requested; and,

(iii) The lender will not foreclose on the property until at least 60 days after the required notice by the lender has been sent.

(2) Such notice will include:

(i) The full names, addresses, and telephone numbers of the lender and the Head Start grantee;

(ii) The following statement prominently displayed at the top of the first page of the notice: “The Federal Interest in certain real property or equipment used for the Head Start Program may be at risk. Immediately give this